

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6299

BILL NUMBER: HB 1051

NOTE PREPARED: Jan 25, 2005

BILL AMENDED: Jan 24, 2005

SUBJECT: Wage Assignment and Wage Payment.

FIRST AUTHOR: Rep. Borror

FIRST SPONSOR:

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill permits a wage assignment for payment for: (1) uniforms; and (2) tools and portable equipment. It increases to \$3,000 the amount of the maximum wage claim for which the Commissioner of the Department of Labor may take an assignment. The bill repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public. It also repeals chapter concerning the regulation of wage payments, which includes the following provisions: (1) a provision requiring an employer to pay employees in commercial paper; (2) a duplicate provision concerning frequency of wage payments; and (3) a provision containing outdated language concerning liens of laborers.

This bill requires an employer to make payment to an employee, by semimonthly or biweekly payment, for all wages earned to a date not more than ten business days prior to the date of payment. It specifies that if an employee has left employment voluntarily and the employer does not know the whereabouts or address of the employee, that the employer is not subject to payment of liquidated damages for the failure to pay wages timely until: (1) ten business days have elapsed after the employee has made a demand for the wages; or (2) the employee has given the employer the employee's address. (Current law: (1) requires payment to be made for wages earned to a date not more than ten days prior to the date of payment; and (2) provides that in the event that the employee's whereabouts are unknown, the employer is not subject to payment of liquidated damages until ten business days have elapsed after the employee has made a demand for the wages due.)

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The impact on the state and local governments would be as

an employer and should be a minor impact, if any. Increasing to \$3,000 from \$800 the amount of the maximum wage claim for which the Commissioner of the Department of Labor may take an assignment could increase the administrative costs of the Department of Labor. The increase in costs would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.